

"Newco" Board Meeting Minutes

March 5, 2008

Present: David Dunn, M.D., Evan Evans, M.D., Robert Gioia, Mary Gresham Ph.D., James Kaskie, Judge James McLeod, Sundra Ryce, Irene Snow, M.D., Edward F. Walsh, Jr., Robert M. Zak (via teleconference), David Zebro, Robert Wild, Betsy Baumler.

Absent: Kevin Cichocki, D.C., James T. Evans, M.D., Sharon L. Hanson, Jody Lomeo, Brenda McDuffie, John Simpson, Ph.D., Michael Young

The meeting was called to order at 8:35 AM by the Chair, Robert Gioia.

Minutes

The minutes of the February 6, 2008 Board of Directors' meeting and the February 5, 2008 Strategic and Community Plan Committee meeting were presented for approval. **Upon motion duly made and seconded, the minutes of the February 6, 2008 Board of Directors' Meeting and February 5, 2008 Strategic and Community Plan Committee were unanimously approved as presented.**

Mr. Gioia discussed the documents distributed with the Board package including the letter from Dr. Cichocki to Commissioner Daines, correspondence regarding the Statement of Principles and a recent conversation with Dr. Cichocki. He also highlighted a recent meeting with County Executive Collins, Chairperson Lynn Marinelli and Legislator Thomas Mazur.

CSEA Meeting

Mr. Gioia highlighted a recent meeting with representatives from CSEA which also included Mr. Zebro. He indicated the meeting was scheduled at their request but was not meant to be a negotiating session. Mr. Gioia stated the union did have a copy of the Memorandum of Understanding but did not have the attachment of reserved powers exhibit.

Albany Meeting

Mr. Gioia outlined recent discussions with the Department of Health. He indicated that he and Messrs. Kaskie and Wild traveled to Albany on March 4th to meet with Mr. James Clyne at his request to provide input in the drafting of legislation regarding the public benefit corporation. Mr. Gioia also outlined several other discussions that took place in Albany including a meeting with Mr. Dennis Whalen and meetings with several members of the Western New York delegation.

Affiliation Agreement

Dr. David Dunn informed the Board that ECMC had let their Affiliation Agreement with the University at Buffalo expire despite several requests by the University for a one year extension similar to the extension agreed upon with Kaleida Health. Dr. Dunn explained in detail the background of the agreement which covers 166 residents being trained at ECMC. Physician members of the Board expressed concern over the impact of this on the community. Discussion followed.

Update on Selection of Communication Firm

Mr. Gioia stated that the presentation by the communication firms had been postponed due to the hospitalization of one of the two finalists. Mr. Kaskie highlighted the process for reviewing the proposals indicating he had met with Thomas Quatroche, Senior Vice President of Marketing and Planning for ECMC, and Michael Hughes, Vice President, Public Relations for Kaleida Health to review the proposals.

He indicated Mr. Quatroche expressed concern over potential conflicts should Eric Mower & Associates, ECMC's communication firm, be awarded the RFP. Mr. Kaskie stated that given his concern, Mr. Quatroche removed Eric Mower and Associates from consideration. Mr. Kaskie stated the two finalists named were Stand Advertising (a firm used by both UB and ECMC) and Paragon Advertising (Kaleida Health's firm). The Board discussed engaging Paragon over the next few weeks to assist Newco in their communications until the final presentations can be made to the Board for their final decision. Mr. Gioia agreed.

Communication Strategy

Mr. Gioia highlighted the press conference scheduled for immediately following the Board meeting and encouraged all Board members to attend. The Board discussed the need to release several documents to the media, public officials and community leaders to clear up several inaccurate statements being made about Newco. Mr. Gioia indicated he will work with Paragon to organize all information into a package in order to present a clear message. **Upon motion made and duly seconded, the Board unanimously agreed to release all minutes of the Newco Board of Directors and its committees, appropriately redacted, along with any other pertinent information that would not breach the confidentiality agreement signed by all parties.**

Heart Vascular Engagement

Ms. Ann Filiault, Engagement Director from PricewaterhouseCoopers, updated the Board on the status of their engagement. She stated that data had been received by both ECMC and Kaleida Health. Ms. Filiault highlighted PwC's interview list that was distributed with the Board package. She highlighted the interview list that consisted of 86 physicians and community leaders but stated that they had not yet been able to meet the individuals listed by ECMC. She explained that the interviews had been set up by Ms. Jacqueline Blackley, ECMC's Vice President of Cardiovascular Services, however, when her associate went to ECMC to meet with Ms. Blackley, he was told by Ms. Susan McCarthy, ECMC's Chief Financial Officer, that no meetings with ECMC representatives or physicians will be taking place until the MOU has been signed by all parties.

Dr. Dunn stated that several of the key physicians identified by ECMC were faculty of the University at Buffalo and indicated he would want to contact those physicians directly to give those physicians the opportunity to decide whether they would want to participate.

Ms. Filiault indicated she would be returning to present to the Board at the March 19th meeting their preliminary findings prior to the Steering Committee meeting and then their final report at our April 2nd Board meeting.

Governance Committee

Mr. Walsh reviewed discussions at the recent Governance Committee meeting indicating the Committee discussed draft By-laws created by Mr. Wild's office incorporating the guidelines discussed at previous Governance Committee meetings. Mr. Walsh requested input from the Board on staggered classes, representative timelines for two years, changing the Medical/Dental Staff Presidency positions to voting members, quorums, whether or not to have an Executive Committee and changing wording to "a maximum of 17". Mr. Walsh indicated he would have Mr. Wild's office incorporate their input and distribute another draft set of By-laws to be discussed and/or approved at the next meeting.

ECMC CON

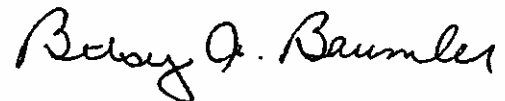
A copy of the summary requested by the Board at their last meeting for the ECMC ER/OR Expansion CON was distributed for discussion and/or approval. Given there was not representation by ECMC to present background information, the approval for the CON was tabled.

Next Meeting

Mr. Gioia stated the next meeting of the Newco Board of Directors would be held on Wednesday, March 19, 2008 at WNED.

The meeting was adjourned at 10:35 AM.

Respectfully submitted,



Betsy A. Baumler